

REPLACEMENT AGENDA

FINANCE AND PROCUREMENT PORTFOLIO DECISION SCHEDULE



Thursday 13 October 2011

at 10.00 am

in Committee Room A, Civic Centre, Hartlepool

Councillor R Payne, Cabinet Member responsible for Finance and Procurement will consider the following items.

1. KEY DECISIONS

No items.

2. OTHER ITEMS REQUIRING DECISION

- 2.1 Banking Arrangements – *Chief Finance Officer*
- 2.2 Treasury Management Advice Arrangements – *Chief Finance Officer*
- 2.3 Land at Easington Road – *Assistant Director (Resources)*
- 2.4 Ward Jackson Park Lodge – *Assistant Director (Resources)*
- 2.5 The Commissioning of Domestic Violence Prevention and Intervention Services in Hartlepool – *Assistant Director (Neighbourhood Services)*

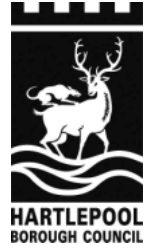
3. ITEMS FOR INFORMATION

No items

FINANCE & PROCUREMENT PORTFOLIO

Report to Portfolio Holder

13th October, 2011



Report of: Chief Finance Officer

Subject: BANKING ARRANGEMENTS

SUMMARY

1. PURPOSE OF REPORT

- 1.1 To seek approval for an extension to the current banking arrangements to 31st March, 2013.

2. SUMMARY OF CONTENTS

- 2.1 The report outlines the current circumstances facing the Authority and proposes extending the current banking arrangements for a one year period.

3. RELEVANCE TO PORTFOLIO MEMBER

- 3.1 The Portfolio Holder has responsibility for determining the banking arrangements for the Council.

4. TYPE OF DECISION

- 4.1 Non-key decision.

5. DECISION MAKING ROUTE

- 5.1 To Portfolio Holder only.

6. DECISION(S) REQUIRED

- 6.1 To approve the proposal to extend the current banking arrangements to 31st March, 2013.

Report of: Chief Finance Officer

Subject: BANKING ARRANGEMENTS

1. PURPOSE OF REPORT

- 1.1 To detail proposals for extending the existing contract for Banking Services.

2. BACKGROUND AND PROPOSED WAY FORWARD

- 2.1 The current banking contract was awarded to the Co-operative Bank on 11th November, 2002, for a period of five years including a two year extension based on satisfactory performance. Following a report to the Finance and Performance Management Portfolio on the 3rd December, 2009, the banking contract was extended a further two years to 31st March, 2012.
- 2.2 The Council's banking arrangements from 1st April, 2012, therefore need to be determined. There are a number of benefits that would arise from the continued provision of services by the Co-operative Bank. The performance of the bank has been reviewed throughout the contract period. The required services have been maintained throughout the period and efficient working arrangements have been developed.
- 2.3 The services provided by the bank are a major element in the Council's financial arrangements and the Council is in a period of significant internal change. A switch to another bank would require significant input from key Council staff that are heavily involved in dealing with implementing the cuts in the overall budget and the development of business cases for a range of potential projects, for example the letting of the ICT and Revenues and Benefits Contracts. There would therefore be capacity issues and an opportunity cost from allocating key staff to support the transfer of the bank contract and in practice this work would stretch over a nine month period. There would also be additional cash costs of changing the system and stationary.
- 2.4 In addition to the above, the banking contract is a potential area where future savings may be made as a result of joint tendering. Extending the banking contract by a further year allows the Council to explore joint tendering without entering into a commitment that would delay the achievement of potential future savings. A joint tendering

exercise for insurance has provided a significant ongoing saving which demonstrates the benefits of this approach.

- 2.5 Furthermore, owing to the volatility in the banking sector and the relative low value of contracts there is currently very limited market interest in local authority banking. Experience in other authorities suggests only one of two other banks are currently actively seeking new contracts with councils. Hopefully, this position will change over the next twelve to eighteen months.

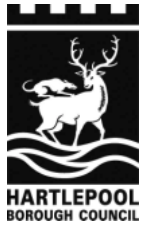
3. RECOMMENDATION

- 3..1 It is recommended that the Portfolio Holder authorises the Chief Finance Officer enter into negotiations with the Co-operative Bank to continue to provide banking services for a further year from 1st April, 2012 and to conclude these negotiations if the cost is within the budget provision for this service. If the contract cost will exceed the budget provision a further report will be submitted before the negotiations are concluded.

FINANCE & PROCUREMENT PORTFOLIO

Report to Portfolio Holder

13th October, 2011



Report of: Chief Finance Officer

Subject: TREASURY MANAGEMENT ADVICE ARRANGEMENTS

SUMMARY

1. PURPOSE OF REPORT

- 1.1 To seek approval for an extension to the current Treasury Management advice arrangements to 31st March, 2013.

2. SUMMARY OF CONTENTS

- 2.1 The report outlines the current circumstances facing the Authority and proposes extending the current Treasury Management advice arrangements until 31st March, 2013.

3. RELEVANCE TO PORTFOLIO MEMBER

- 3.1 The Portfolio Holder has responsibility for determining the Treasury Management advice arrangements for the Council.

4. TYPE OF DECISION

- 4.1 Non-key decision.

5. DECISION MAKING ROUTE

- 5.1 To Portfolio Holder only.

6. DECISION(S) REQUIRED

- 6.1 To approve the proposal to extend the current Treasury Management advice contract to 31st March, 2013.

Report of: Chief Finance Officer

Subject: TREASURY MANAGEMENT ADVICE
ARRANGEMENTS

1. PURPOSE OF REPORT

- 1.1 To detail proposals for extending the existing contract for Treasury Management Advice Services.

2. BACKGROUND AND PROPOSED WAY FORWARD

- 2.1 The current Treasury Management Advice contract was awarded to Butlers. Butlers were acquired by Sector in October 2010 which effectively merged the two main providers of Treasury Management Advice to Local Authorities.
- 2.2 It is suggested that the contract with Sector be extended to 31 March 2013. There are a number of benefits that would arise from the continued provision of services by Sector. Sector provide a number of services to the council including Investment and Debt Management advice, up to date economic information and forecasts and advice on compliance with the Treasury Management Code of Practice and the Prudential Code. The required services have been maintained throughout the period and efficient working arrangements have been developed.
- 2.3 In the current economic climate, and uncertain market conditions, the council needs an advisor who understands our positions and can help the council manage in uncertain times. Owing to the value of the contract there is no real scope for making revenue savings, especially as the two major local authority advisors have merged.
- 2.4 However the real cost of the contract is the quality of the advice and support by the advisor. Over a sustained period the Treasury Advisors have helped the Council achieve significant one-off benefits and ongoing savings in Treasury Management arrangements. This includes advice on restructuring debts prior to the housing stock transfer and ongoing advice to restructure debt to achieve recurring savings.
- 2.5 In the future advice and market intelligence will be needed to help manage the transition from the current strategy of netting down investments and borrowing to a strategy which addresses the underlying borrowing requirement by taking out new external loans.

The timing of these decisions will be critical to the long term financial position of the Council. This will be a challenging position to manage given the historically low level of the Bank Rate and how the transition to a “normal” level of interest rates will be managed.

3. RECOMMENDATION

- 3.1 It is recommended that the Portfolio Holder authorises the Chief Finance Officer to enter into negotiations with Sector to continue to provide Treasury Management Advice until 31 March 2013, and to conclude these negotiations if the cost is within the budget provision. If the contract cost will exceed the current budget provision a further report will be submitted before the negotiations are concluded.

<p>FINANCE AND PROCUREMENT PORTFOLIO Report To Portfolio Holder 13th October 2011</p>
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Report of: Assistant Director (Resources)

Subject: LAND AT EASINGTON ROAD

SUMMARY

1. PURPOSE OF REPORT

To seek approval for the transfer of an additional piece of land to Housing Hartlepool.

2. SUMMARY OF CONTENTS

Background to the case and current proposals

3. RELEVANCE TO PORTFOLIO MEMBER

Portfolio Holder has responsibility for the Council's land and property assets.

4. TYPE OF DECISION

Non Key Decision

5. DECISION MAKING ROUTE

Portfolio Holder only

6. DECISION(S) REQUIRED

Portfolio Holder approves the transfer of land to Housing Hartlepool in the terms proposed.

Report of: Assistant Director (Resources)

Subject: LAND AT EASINGTON ROAD

1. PURPOSE OF REPORT

- 1.1 To seek approval for the transfer of an additional piece of land to Housing Hartlepool.

2. BACKGROUND

- 2.1 Portfolio Holder will be aware that Housing Hartlepool are currently building new houses and flats on Easington Road. Portfolio Holder will also recall that approval was given earlier for the transfer of 2 pieces of land to Housing Hartlepool which were required for the development.
- 2.2 It has subsequently become apparent that a third piece of land is also required by Housing Hartlepool for the purposes of the scheme. The land is shown hatched on the plan at **Appendix 1**. It extends to approximately 329 square metres of tarmac used as road/parking (although not adopted).
- 2.3 The land will be partly incorporated into a house garden, partly a parking area and the remainder will be used as a road. It is expected that the road will be adopted in due course on completion of the development. The land is thus required for part of the development, specifically the access to the parking area and access to the rear of plots 49 – 58 together with part of a further parking area and part of the garden of plot 49. An extract of the development plan is at **Appendix 2**.
- 2.4 The planning permission granted for the development covers this piece of land.

3. PROPOSALS

- 3.1 It is proposed to transfer the land to Housing Hartlepool on the same terms as the earlier transfer, detailed in the **Confidential Appendix 3**. **This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (para 3), information relating to the financial or business affairs of any particular person (including the authority holding that information).** except for payment of the Council's legal and surveyor's costs. Since this

involves a sale at less than best consideration, consent should be provided under section 123 of the Local Government Act 1972 for sale at less than market value in order to provide social, economic and well-being benefits to the town.

4. FINANCIAL CONSIDERATIONS

- 4.1 Details of the Financial considerations can be found in the **Confidential Appendix 3. This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (para 3), information relating to the financial or business affairs of any particular person (including the authority holding that information).**

5. LEGAL AND PLANNING CONSIDERATIONS

- 5.1 As noted above, the planning permission granted for the development covers this piece of land.

6. ASSET MANAGEMENT CONSIDERATIONS

- 6.1 The attention of the Portfolio Holder is drawn to the Asset Management element of the Business Transformation programme. The decision by Cabinet of January 2009 requires a commercial, proactive approach to be taken on Asset Management issues.
- 6.2 The decision to adopt a commercial approach to asset management requires the Council to realise the full value of any properties or property rights that it disposes of.

7. RECOMMENDATIONS

- 7.1 Portfolio Holder approves the transfer of land to Housing Hartlepool in the terms proposed.

8. REASONS FOR RECOMMENDATIONS

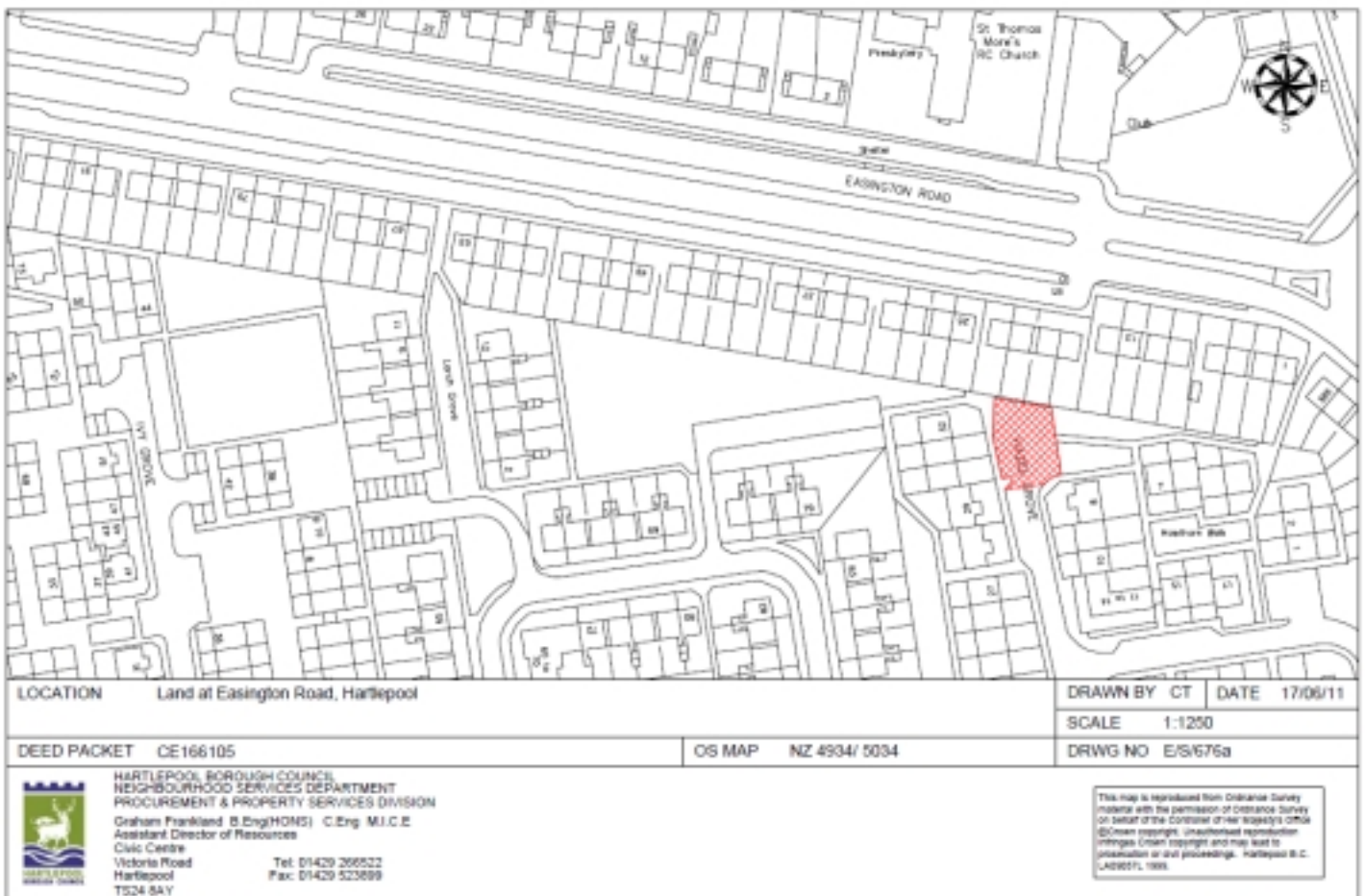
- 8.1 The land is required for the new Housing Hartlepool affordable housing development and the transfer of the land on the terms proposed will assist in the provision of additional affordable housing in Hartlepool.

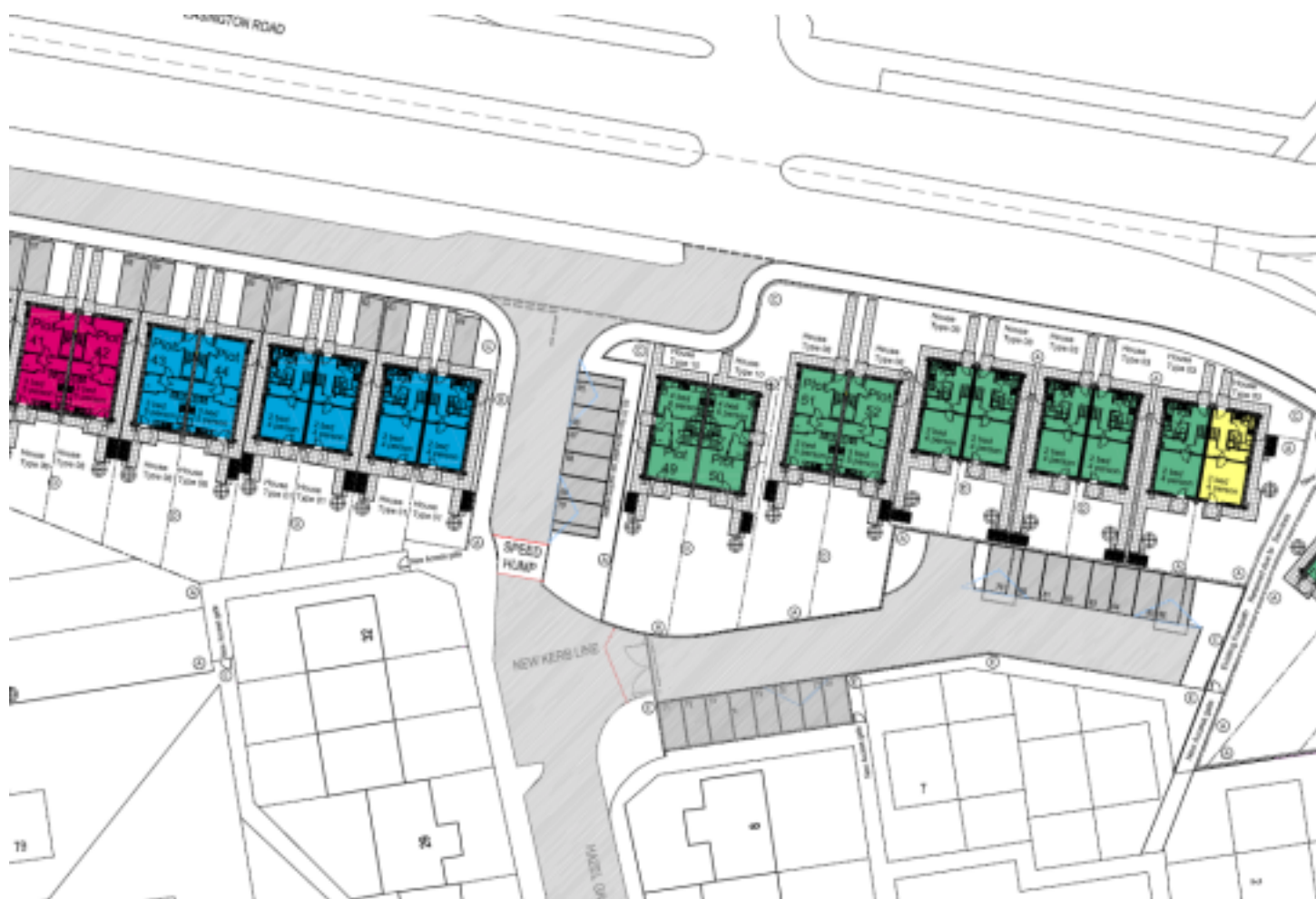
8. CONTACT OFFICER

- 8.1 Philip Timmins BA Hons MRICS
Principal Estates Surveyor
Bryan Hanson House
Hanson Square
Hartlepool
TS24 7BT
01429 523228

2.3 APPENDIX 1

Finance and Procurement Portfolio – 13th October 2011

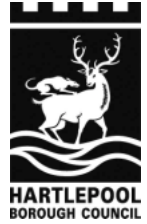




FINANCE AND PROCUREMENT PORTFOLIO

Report To Portfolio Holder

13th October 2011



Report of: Assistant Director (Resources)

Subject: WARD JACKSON PARK LODGE

SUMMARY

1. PURPOSE OF REPORT

To seek approval to the disposal of Ward Jackson Park Lodge and adjoining land.

2. SUMMARY OF CONTENTS

The report contains proposals for Ward Jackson Park Lodge and an area of adjoining land currently used as a maintenance compound

3. RELEVANCE TO PORTFOLIO MEMBER

Portfolio Holder responsibility for the Council's land and property assets.

4. TYPE OF DECISION

Non Key.

5. DECISION MAKING ROUTE

Portfolio Holder only.

6. DECISION(S) REQUIRED

The Portfolio Holder is recommended to approve the sale of the Lodge House and adjoining land

Report of: Assistant Director (Resources)

Subject: WARD JACKSON PARK LODGE

1. PURPOSE OF REPORT

- 1.1 To seek approval to the disposal of Ward Jackson Park Lodge and adjoining land.

2. BACKGROUND

- 2.1 The Lodge House (as shown edged black on the attached plan as **Appendix 1**) forms part of Ward Jackson Park, which was acquired by the Council in the late 1900's, from the Richardson Family.
- 2.2 The Lodge House is no longer required for operational purposes and is currently vacant, having previously been occupied by a Council Employee for residential accommodation linked to a caretaking role for the park.
- 2.3 As the property is surplus to operational requirements it is considered appropriate that it should be considered for disposal. In addition there is an area of adjoining land including a store currently used as a maintenance compound for the park (shown cross hatched on the attached plan **Appendix 1**). The former compound site is suitable for residential development and it is proposed that this site is apportioned both to increase the curtilage of the lodge to facilitate the opportunity to extend the existing house and create a residential development plot that would also be offered for sale.
- 2.4 A new access road would need to be created from Elwick Road serving both sites thereby eliminating the requirement for access through the Park gates. Occupation of the properties overlooking the park will provide an on site presence adding to overall security
- 2.5 It will be necessary to re-provide an alternate compound area within the park boundary on land that does not have development potential.
- 2.6 Both sites will be marketed for sale by informal tender with bids being invited for either or both sites.

3. RISK IMPLICATIONS:

- 3.1 The Estates Manager is currently working with Legal and Planning Services to ensure that development proposals align with the wider objectives and restrictions associated with the Council's ownership of Ward Jackson Park.
- 3.2 If the property remains vacant then increased resources will be required over time for maintenance and security.

4. FINANCIAL CONSIDERATIONS

- 4.1 Details of the financial considerations are set out in Confidential Appendix 2. **This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (para 3), information relating to the financial or business affairs of any particular person (including the authority holding that information).**

5 ASSET MANAGEMENT CONSIDERATIONS

- 5.1 The attention of the Portfolio Holder is drawn to the Asset Management element of the Business Transformation Programme. The decision by Cabinet in January 2009 requires a commercial, proactive approach to be taken on Asset Management issues
- 5.2 The decision to adopt a commercial approach to Asset Management requires the Council to realise the full value of any properties or property rights it disposes of. The proposals identified in this report will maximise Revenue and Capital from active management of the Council's properties assets.
- 5.3 The Capital receipt will be valuable in dealing with a variety of pressures that the Council faces within the medium term financial strategy.

6 RECOMMENDATIONS

- 6.1 The Portfolio Holder is recommended to approve the sale of the Lodge House and adjoining land

7 REASONS FOR RECOMMENDATIONS

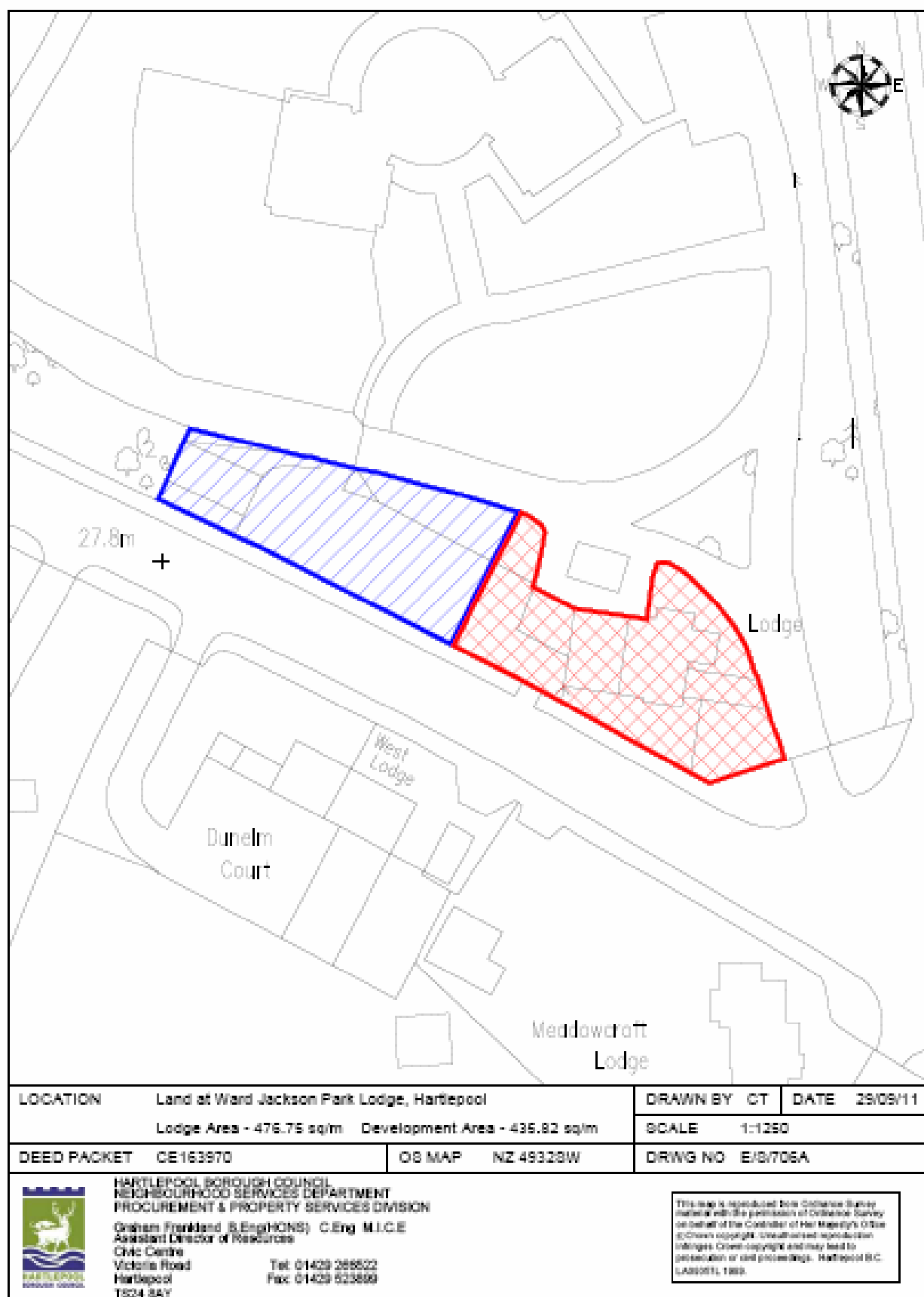
- 7.1 The Council needs to maximise the financial and social return from its assets. The proposed actions will enable a capital receipt to be achieved and reduce ongoing revenue costs.

8 BACKGROUND PAPERS

None.

9 CONTACT OFFICER

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FINANCE AND PROCUREMENT PORTFOLIO

Report to Portfolio Holder

13 October 2011



Report of: Assistant Director (Neighbourhood Services)

Subject: THE COMMISSIONING OF DOMESTIC
VIOLENCE PREVENTION AND
INTERVENTION SERVICES IN HARTLEPOOL

SUMMARY

1. PURPOSE OF REPORT

- 1.1 To seek agreement that domestic violence prevention and intervention services will be commissioned by the Council as one contract, with one agency as lead provider, in the event of a partnership submission.
- 1.2 To seek agreement that the contract will be tendered, subject to funding, for three years with an option to extend for a further two periods of twelve months each.
- 1.3 To seek agreement on the weightings to be used in the tender evaluations.

2. SUMMARY OF CONTENTS

- 2.1 This report provides background information with regards to the nature and extent of domestic violence in Hartlepool, current domestic violence services provided, with proposals that the services be consolidated into one contract.

3. RELEVANCE TO PORTFOLIO MEMBER

- 3.1 This is a procurement issue, which the Portfolio Holder has responsibility for.

4. TYPE OF DECISION

4.1 Non-key decision.

5. DECISION MAKING ROUTE

5.1 To Portfolio Holder only.

6. DECISION REQUIRED

6.1 That domestic violence services prevention and intervention services be commissioned as one contract service to be delivered by one lead agency, in the event of a partnership submission.

6.2 That the contract will be tendered, subject to funding, for 3 years with an option to extend for a further two twelve month periods.

6.3 To agree the weightings to be used in the tender evaluations.

Report of: Assistant Director (Neighbourhood Services)

Subject: THE COMMISSIONING OF DOMESTIC
VIOLENCE PREVENTION AND
INTERVENTION SERVICES IN HARTLEPOOL

1. PURPOSE OF REPORT

- 1.1 To seek agreement that domestic violence prevention and intervention services will be commissioned as one contract, with one agency as lead provider.
- 1.2 To seek agreement that the contract will be tendered, subject to funding, for 3 years with an option to extend for a further 2 years.
- 1.3 To seek agreement how the tender submissions will be evaluated.

2 BACKGROUND

2.1 From 1st April 2010 to 31st March 2011 the crime statistics for Hartlepool were:

- 2846 domestic related incidents (an increase of 208 incidents compared to the previous year)
- 765 domestic related crimes
- 66% crimes that involved physical violence
- 1.5% related to sexual violence but again this is a highly under reported crime
- Since 2005 there have been 3 domestic murders and 2 attempted murders in Hartlepool

2.2 Core Services currently provided in Hartlepool are:

- Refuge provision
- Adult outreach floating support
- Independent Domestic Violence Advisor
- Male perpetrator programme
- Multi agency risk assessment and Conferencing (MARAC) with a co-ordinator.
- Sexual Violence Counselling
- Target hardening

- 2.3 In December 2010, the Partnerships Team within the Chief Executive's Department produced a report; "Domestic Violence - Mapping of Services in Hartlepool". The report gave an overview of the effectiveness of the services that are being delivered in Hartlepool; how services are accessed; the barriers people face and why people drop out of the support system. The report made 25 recommendations, one of which was that Partners should consider undertaking joint commissioning of domestic violence services.
- 2.4 Domestic Violence is recognised as a key issue in Hartlepool . In January 2011, the Community Safety Partnership's Domestic Violence Group, together with the main service providers in Hartlepool agreed eight shared priorities. These are:
- Prevention, including workforce development
 - Support to female victims with children, including Independent Domestic Violence Adviser (IDVA)
 - Refuge and (new) move on accommodation
 - Support to children in households with Domestic Violence
 - Support to female victims (including IDVA service)
 - Male perpetrator programme
 - Support to male victims
 - Security improvements to victims' homes
- 2.5 The content of this report has been produced with input from the Corporate Procurement Team.

3. CURRENT ARRANGEMENTS FOR DOMESTIC VIOLENCE PREVENTION AND INTERVENTION SERVICES

- 3.1 Domestic Violence prevention and intervention services in Hartlepool are currently funded from a number of different funding streams or budgets. The majority of the funding comes from the local authority. Additional funding comes from agencies such as Police, Probation, Ministry of Justice and Health.. Total expenditure is in the region of £275,000 per annum.
- 3.2 Funding for domestic violence prevention and intervention services within the local authority is provided by both Regeneration and Neighbourhoods, and Children and Adult Services Departments, under a variety of contracts with varying expiry dates.
- 3.3 There is currently no strategic approach to commissioning domestic violence services or any one agency or directorate which takes a lead.

4. PROPOSED FUTURE ARRANGEMENTS

- 4.1 In accordance with the recommendation of the review of January 2010, it is proposed that the core services listed above are let as one single contract. Hartlepool Borough Council will lead the procurement process, following standard HBC contract procurement rules, on behalf of and in collaboration with the other funding partners.
- 4.2 The Safer Hartlepool Executive Group meeting of 14th September 2011 agreed the pooling of funding for Domestic Violence across partner agencies to enable the services to be let as one contract.
- 4.3 The contract would be managed by a steering group made up of stakeholders, comprising the funding agencies with representative service users.
- 4.4 The contract value would be approximately £275,000 per annum, but would be flexible enough to allow for the fact that funding streams are not guaranteed in future years and the work done would be tailored to reflect the resources available to pay for them, as agreed with the steering group in the light of strategic priorities.
- 4.5 The intention is to have the contract in place by 31st March 2011, and an indicative timetable has been devised by the Corporate Procurement team to facilitate this.
- 4.6 Given the nature of the service, it is proposed that the tenders will be assessed on a ratio of 60% quality and 40% price. A full report on the outcome of these evaluations will be presented to Contract Scrutiny Committee to ensure compliance with the Contract Procedure Rules.

5 RECOMMENDATIONS

- 5.1 To agree that domestic violence prevention and intervention services be commissioned as one contract and that one agency will act as lead provider, in the event of a partnership submission.
- 5.2 To agree that the contract will be tendered, subject to funding, for 3 years with an option to extend for a further 2 years
- 5.3 To agree a weighting of price (40%), and quality (60%) as the basis of evaluating tender submissions.

6. REASONS FOR RECOMMENDATIONS

- 6.1 A single contract will allow for improved corporate understanding of domestic violence, reflecting the high priority of the issue.

- 6.2 The letting and management of one contract rather than several will be less resource intensive.
- 6.3 The lead provider will be responsible for the co-ordination of contract delivery thus freeing HBC resource that might otherwise be required for this.
- 6.4 A single flexible contract will enable the lead provider to adjust delivery as changes in future funding may require.
- 6.5 It is anticipated that a single contract will deliver savings by streamlining the procurement and contract monitoring requirements of the Council.

7. CONTACT OFFICER

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